

Message Text

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61

ORIGIN COME-00

INFO OCT-01 EUR-06 ISO-00 EB-05 RSC-01 /013 R

66651

DRAFTED BY: COM/IEPR/OTP/IND:DSLAGHT

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COM/BIC/OIM:ACORRO

COM/NOA:WJENSEN

EB/OT/TA:MR BARRACLOUGH

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R 221511Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY ROME

UNCLAS STATE 184172

E.O. 11652: N/A

TAGS: EGEN, IT

SUBJECT: IMPACT OF NEW TVA INCREASES ON US EXPORT OF
SEALSKIN FUR

REF: OFFICIAL GAZETTE, JULY 8, 1974

1. ON JULY 9, GOI INCREASED VALUE ADDED TAX (TVA) FOR
LUXURY ITEMS FROM 18 PERCENT TO 30 PERCENT AND ADDED SEALSKIN
FUR TO LIST OF ITEMS TO BE TAXED IN THIS LUXURY CATEGORY.

2. US FIRM HAS BEEN INFORMED THAT BECAUSE OF NEW TAX MEASURES,
FEW ITALIAN BIDDERS WILL ATTEND ITS SEMI-ANNUAL AUCTION OF
SEALSKIN FURS IN OCTOBER. SINCE ITALIANS HERETOFORE HAVE BEEN
BEEN MAJOR BUYER (50 PERCENT OF SUPPLY IN 1973), US FIRM
FEARS SIGNIFICANT FALL-OFF OF SALES PROCEEDS.

3. SINCE TVA IS REBATED FOR EXPORTS, ADVERSE IMPACT OF TAX
INCREASES WOULD BE SIGNIFICANTLY REDUCED IF CONSIDERABLE
PORTION OF ITALIAN PURCHASES ARE PROCESSED INTO EXPORT ITEMS.
POST THEREFORE REQUESTED DETERMINE EXTENT TO WHICH DOMESTIC
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FABRICATION OF IMPORTED SEALSKINS IS FOR EXPORT ITEMS. ALSO,

HOW LONG ARE HIGHER TVA RATES ON LUXURY ITEMS EXPECTED TO PERSIST.
POST MAY WISH TO CONTACT EUROFUR IN PADOVA, A MAJOR FUR GARMENT
MANUFACTURER. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FURS, EXPORTS, VALUE ADDED TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 22 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: COM/IEPR/OTP/IND:DSLAGHT
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740826/aaaaavrx.tel
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Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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30 JUN 2005

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